



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Corporate Identity Number (CIN) : U40109KA1999SGC025521

Regd. Office of the Company : Corporate Office, Kaveri Bhavan, K.G. Road, Bengaluru-560 009

Date :

KPTCL/B9/14628/20-21

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## CIRCULAR

**Sub:-** Guide lines for short closing / termination of contracts and taking up execution of balance works.

It has come to the notice of the management that, some of the projects which are held up, attributable either due to the non-performance of the contract agency to whom the work was awarded or due to the right of way issues, are not being given due care. In many instances, the capital invested could not be put to commercial use.

Though it is the responsibility of the concerned field officers to safe guard the assets of KPTCL it is not clearly seen in many circumstances. In many cases, estimates for balance works have not been prepared, tenders have not been invited / finalized and agencies for carrying out balance works have not been fixed. This aspect of non-completion of programmed works for several years has been noted very seriously by the Managing Director, KPTCL. It was observed that there are inordinate delays at every stage and this necessitates issuing guidelines and fixing a definite time limit to take care of the projects which were abandoned or found to be not required in part or whole. Accordingly following guide lines are issued for strict compliance.

### 1. General Instructions:

- a. The Executive Engineer (Ele) of Major works/TL & SS Divisions shall be responsible to monitor the execution of projects by the Contract Agencies in their limits. They shall ensure that the works are progressing as per the approved Activity chart.
- b. In the event, if there is considerable delay in the progress of works, the Executive Engineer (Ele), by highlighting the scheduled completion period shall serve the Contract Agency a Notice and get the agencies action plans to meet the targets in time. The adherence of the same shall be monitored.
- c. Wherever the stage wise penalty to be levied due to delays in execution of works becomes 10% or work is delayed beyond the scheduled target date, then the execution of the project shall be reviewed by the Chief Engineer (Ele)/ Superintending Engineer (Ele) of the concerned Transmission Zone / W&M Circle.

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- d. The scheduled completion of the project shall be reviewed and the Activity Chart shall be redrawn. If the reasons for delays in the commissioning of the projects are not attributable to the contract agency, then, time extension proposals shall be processed as per the norms of the KPTCL.

## **2. Short closing of contract at the Instance of KPTCL:**

If the works under execution cannot be progressed for the reasons of non-resolution of the obstacles of any nature or if in the opinion of the field officers the execution is not required, then the Chief Engineer (Ele), of the concerned Transmission Zones shall take appropriate action for short closure of the contract as per manual of Delegation of Powers duly intimating the same to the Corporate office for information. The Chief Engineer (Ele), Transmission Zone, shall instruct the contract agency to stop the procurement/supply of materials and execution of works forthwith.

If it is approved to short close the works, then the field officers shall take the joint measurements of the works executed by the Contract agency, take back the unused materials to the stores, stock them in the stores with proper labeling of parts in case of Towers parts. A written order shall be issued to short close the contract clearly bringing in the reasons and settle the claims of the contract agency as per norms and in accordance with the tender conditions of the respective works.

## **3. Retendering of works due to Contractor's default:**

If the Contract Agency failed to proceed with the execution of works with due diligence and expediency as envisaged in the contract and refuse or neglect to comply with any reasonable order given to him in writing by the concerned EEE/SEE, then the following procedures shall be followed.

- a. The Chief Engineer (Ele), Transmission Zone, shall issue notice in writing to the Contract Agency intimating to make good the failure and neglect to comply with the directions issued by SEE/EEE in charge of work.
- b. If the Contractor fails to comply with the Notice within thirty (30) days from the date of its serving, then, the Chief Engineer (Ele), Transmission Zone, shall serve show cause notice to the Contract Agency by stipulating 15 days' time calling for the reply as to why the contract shall not be terminated and the Contract Performance Bank Guarantees shall not be forfeited followed by initiating the process of debarring from participating in the tender of KPTCL/blacklisting.
- c. By evaluating the replies received and if it is satisfactory, the Chief Engineer (Ele), Transmission Zone, may extend final opportunity to Contract Agency to execute the project. If no-reply is received/if reply received is not satisfactory, the Chief Engineer (Ele), Transmission Zone, shall invite the Contract Agency for personal hearing to address the issues if any. In spite of this, if the Agency failed to comply with the instructions, then Chief Engineer (Ele), Transmission Zone, shall order to terminate the Contract forthwith by clearly indicating the

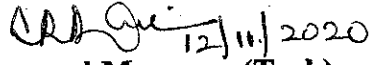
reasons for termination, the opportunity extended to the Contract Agency for making good the failures, ordering to forfeit the Contract Performance Bank Guarantees, withholding the release of any payments due to Contract Agency like supply bills, retention payments, refund of penalty etc., and clearly intimating that the balance works will be executed at **Risk and Cost of the Contract Agency** or as per the contract conditions.

- d. The defaulted Contract Agency shall be blacklisted/debarred from participating in any of the tenders of KPTCL for a period of 3 years or as called for in the tender.
- e. The Executive Engineer (Ele) of MW/TL & SS Division shall arrange to take joint inventory of the works executed by the defaulted Contract Agency and shall take possession of the materials held in stock by the Contract Agency for which payment already made if any., Proper watch and ward shall be provided for the safety of the equipments/materials. In case if the Contract Agency remained absent/didn't extend co-operation for taking joint measurements, then the measurements shall be taken by the concerned field Officers and countersigned by the concerned Executive Engineer (Ele) and if required in presence of Third Party. The same is to be communicated to the Contract Agency by Registered Post.
- f. For execution of balance works, detailed estimate shall be prepared duly excluding the materials already supplied by the defaulted agency, ascertaining condition of the material and by considering prevailing KPTCL/ KPWD SR. **The risk and cost liability of the defaulted agency is limited to the original scope of work only.**
- g. In respect of civil works taken up independently, action shall be taken to recover the additional cost for completing the balance works at the percentage fixed in the contract data as per the Standard Tender Documents KW-1 to KW-4 adopted for civil works.
- h. The work for balance portion shall be tendered and awarded as per the financial powers delegated to KPTCL officers.
- i. Then, the defaulted Contract Agency shall be served with an Advocate Notice demanding to make the payment towards the excess amount required for completion of balance works. If the said amount is not received, then a petition claiming the damages is filed at appropriate courts by the respective zonal Chief Engineers.
- j. The claim made on the defaulted Contract Agency shall be updated if any, as per the actual cost incurred to complete the balance works and action shall be initiated to recover the additional cost incurred.

4. Time lines to be maintained by the concerned :

Sl. No.	Activity	Time line	Action to be taken by
1	Preparation of estimate for balance work by the Division	Within 15 days from the date of short closure of the contract	Executive Engineer (Ele) of the division.
2	Sanctioning of estimates for balance work by competent authority	Within 15 days from the date of submission of estimates by the division	Competent authority
3	Invitation of tenders by the tender inviting authority	15 days from the date of sanction of the estimates	Tender inviting Authority
4	Acceptance of the tender by the tender accepting authority / CPC	Three months from the date of inviting of tender.	Tender Accepting Authority
5	Communication of award to the successful bidder and issue of LOI / LOA	15 days from the date of receipt of approval of the tender.	Competent authority

The above Guide lines and the Time limits shall be strictly adhered by all concerned to ensure that the partially done works/short closed works/ abandoned works are re-commenced, so as to reap the benefit out of the programmed project. Any delay in adhering to the time line stated above will be viewed seriously and the concerned Officer will be asked to submit explanation for the same.

  
**Deputy General Manager (Tech)**  
**KPTCL, Bengaluru.**

Copy to:

1. All Chief Engineers (Ele), KPTCL.
2. All Financial Advisors, KPTCL.
3. The Company Secretary, KPTCL.
4. All Superintending Engineers (Ele)/(Civil), KPTCL.
5. The Superintending Engineer (Ele), (IT&MIS), KPTCL, Kaveri Bhavan, Bengaluru to publish the same in KPTCL website.
6. All Controllers of Accounts, KPTCL.
7. All Executive Engineers (Ele)/(Civil), KPTCL.
8. All Deputy Controller of Accounts, KPTCL.
9. SPS to Managing Director/Director (Transmission)/Director (Finance)/Director (A&HR).
10. All Accounts Officers, KPTCL.
11. All Assistant Executive Engineers (Ele)/(Civil), KPTCL.
12. All Officers, Corporate office, Kaveri Bhavan, Bengaluru.
13. The Account Officer, Codification Cell, KPTCL, Kaveri Bhavan, Bengaluru.
14. SA-II/Records.